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Arrow Rental Inc.

January 13, 1994

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20554

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JAN 21 1994

FCC - MAIL ROOM

RE: CC Docket 93-292

Dear Mr. Canton,

It was with great interest I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken each and every protective step recommended by the IXC's and CPE vendors to secure my systems, I can still experience toll fraud. It is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for 100% of the fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

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CC Docket 93-292

As hackers begin new methods of breaking into systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXCs.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

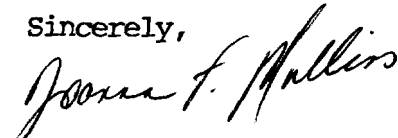
However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communication systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks into the system and sells the information, it is the call sell operations that truly profit from it.

Until we come up with an adequate methods for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the \$5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,



Joanna F Mullins

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January 11, 1994

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20554

RECEIVED

JAN 21 1994

FCC - MAIL ROOM

Re: CC Docket no. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXCs, LECs and CPE vendors. The legal obligations of the IXCs, LECs and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXCs (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXCs must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LECs must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

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CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXC's and LEC's to offer detection, notification, prevention, and education offerings and services

If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence the financial loss should be equitably distributed among CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll Fraud is a financially devastating problem that affects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,

*Keith Foss*



A part of LINCOLN NATIONAL CORPORATION

1100 Employers Blvd.  
Green Bay, WI 54344  
800-558-4444

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JAN 21 1994  
FCC - MAIL ROOM

January 13, 1994

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20554

Re: CC Docket no. 93-292

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Sincerely,



Brad Bessert  
Communications Manager  
Employers Health Insurance  
414-337-5040

Congress Financial Corporation  
1133 Avenue of the Americas  
New York, NY 10036  
212 840 2000

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Congress Financial

January 13, 1994

The **FEDERAL**  
**COMMUNICATIONS**  
**COMMISSION**  
Washington D.C. 20554

Re: Subject: Matter of Policy and Rules - Docket #CC93-292

Gentlemen,

Please accept the following commentary pertaining to the proposed Rulemaking on the issue of fraud. Present tariff provisions which place strict liability on the customers for fraudulent calls forces them to incur expenses for the installation of fraud prevention and detection equipment. This type of equipment should also be required to be installed by the carriers. They should then be required to research and monitor the lines they provide. In the event of Fraud the losses should be shared evenly between the user and the carrier. A third part of the "communications team", the equipment manufacturer also need to be cited in the Rulemaking document. The manufacturer should know the relevant capabilities of the equipment and continually up-date their software as new releases become available. The last participant in the prevention efforts is the user. He must keep himself continually informed of news and developments by belonging to organizations where networking among his peers may enable him to find answers to his questions.

To qualify the above, I am writing this as the Vice President of a Commercial Finance company which has Branch offices in 9 major US cities and also as a member of the Board of Directors for the Communication Managers Association and also the Treasurer of the N.Y. SL-1 Users Association. The sentiments expressed in this letter are shared by a majority of the members of these organization.

Looking forward to hearing about further developments.

Very truly yours,

CONGRESS FINANCIAL CORPORATION

*Andrew J. Stratford*  
ANDREW J. STRATFORD  
Vice President

AJS:ldi  
cc: CMA BOARD

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**Pitney Bowes**

Manager, Systems Support

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January 18, 1994

JAN 21 1994

FCC - MAIL ROOM

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington DC 20554

Re: CC Docket No. 93-292

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encouraged to offer security related hardware and software in the price of their systems.

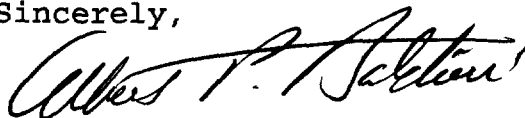
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Sincerely,



Albert P. Baldieri

CC: B. Gooden  
B. Law  
B. Rush